



State of Vermont
Vermont Department of Education
120 State Street
Montpelier, VT 05620-2501

To: Superintendents
Business Managers
Special Education Directors

From: Margaret C. Schelley
Assistant Director for Special Ed Finance & Medicaid

Date: May 29, 2009

Subject: Required Medicaid Reports–
Medicaid Annual Reinvestment Report &
Report on Supervisory Union/School District Expenditures for Health Services

Field Memo: 09-05

I am attaching two reports relating to Medicaid that need to be submitted by each supervisory union. Both reports required expenditure information for FY-2009 and are due on August 17th, 2009. The reporting formats have been kept the same. It will be important for Business Managers and Special Education Directors to work closely on these reports.

I am enclosing a document entitled “Guiding Questions Useful in Making Decisions on How to Spend Medicaid Reinvestment Funds” in case you need assistance in deciding how to use the funds. If you need further assistance, you can contact Bev Heise at 828-0551 for technical assistance.

1) Medicaid Annual Reinvestment Report

In June 2005 a memo was sent out informing you that we would be collecting information on the Medicaid funds starting with FY-2006 and that you should track the expenditures from the Medicaid Grants (revenue code 5481) using a project ID or a fund account so that you could report on expenditures from these funds. There is a statutory requirement for written report on how Medicaid funds are spent and the Auditor of Account has sited the Department for not enforcing this requirement.

Enclosed you will find the report which is made up of three forms:

- Part 1 – Summary for Supervisory Union
- Part 2 – Expenditure Detail by Reporting Entity
- Part 3 – Justification of Expenditures by Reporting Entity.

Instructions for each part of the report are enclosed. The first page is strictly financial information. The second page asks for expenditures to be grouped by the purpose of the expenditures, which will probably take assistance from program staff. The final section requires justification of the expenditures and the required linkage of the expenditures to the school district action plans. This final section will primarily fall to program staff for completion.

2) Report on Supervisory Union/School District Expenditures for Health Services

This report is needed to assist with documenting the amount of health services that are provided by school districts that are not currently being billed to Medicaid. Under the Global Commitment Health Waiver, Vermont is able to count the amount spent on providing health services outside those currently being billed. There were a number of areas identified in Agency of Human Services and two areas in school districts. The Department of Education must certify the actual amount spent during FY-2009 for it to count toward the allowed Global Commitment total. This will not generate funds for school districts but will help keep the Medicaid program funding at a level that will protect our ability to draw funds for the IEP Medicaid program.

This report asks for the cost of school nursing services for all supervisory union which would include the cost for their member school districts. These costs are usually a separate budget item so we are hopeful that this cost will be readily available. **The cost of school nursing services is the only information that you are required to provide.** In general, we ask that you exclude any costs billed to Medicaid but in this case we ask that you do not eliminate the costs billed for school nurses to the EPSDT program. The information on amount billed will be reported by the Health Department and the calculation of the amount not yet claimed to EPSDT will be done at the State level.

School nursing services is the only required section on the report but we are hopeful that some supervisory union will have cost information available for other health services. The other health service categories included are:

- occupational therapy,
- physical therapy,
- mental health counseling or psychological services,
- personal care aides and
- dental or medical services.

If you are able to provide cost in these areas, please read the instructions to ensure that you are only reporting costs that have not already been billed to Medicaid. If you already bill any of these services to Medicaid through the School-Based Health Services Program (IEP Medicaid), you should only include costs for non-IEP students. There are some supervisory unions who have chosen not to bill certain categories of services such as OT to IEP Medicaid because of the documentation requirements. If your supervisory union has elected not to bill certain cost categories to IEP Medicaid then you can include the cost of that particular service on this report.

Be sure **not** to include any of these costs billed through other Medicaid programs such as Success Beyond Six contracts or paid by federal funds. If you are in doubt, it is better not to report the cost than to report costs already billed to Medicaid in some fashion.

If you have any questions while completing the report, please feel free to call Nicole Tousignant at 802-828-5111.

Enclosures

Medicaid Annual Reinvestment Report Instructions

Background

School districts are able to submit Medicaid claims for some of the IEP services provided to students. This only applies to students who are enrolled in Medicaid and only if approval is obtained from the student's legal guardian. To be claimable under Medicaid, the service has to fall under categories allowed for the School-Based Health Service Program under the Medicaid State Plan and is deemed medically necessary by a physician. Also the service must be provided by or performed under the direction of an appropriately credentialed service provider based on Medicaid criterion.

As the bulk of costs of the special education services provided are eligible for State funding formula reimbursement, the revenue generated by the School-Based Health Services claims is divided between the supervisory union submitting the claim and the State Education Fund. Supervisory unions under 16 V.S.A. §2959a receive half of the funds generated by their resident students in the form of a grant. To distribute these funds, the Department of Education prepares monthly grant awards using revenue code 5481. The law requires:

Unless the supervisory union has agreed to use the funds to operate a supervisory unionwide program or to distribute the funds in different manner, upon receipt, the supervisory union shall distribute the funds to its member school districts based on how the funds were generated.

The law also limits how supervisory unions and their member school district use the funds under subsection (e):

(e) School districts shall utilize funds received under this section to pay for reasonable costs of administering the Medicaid claims process, and for prevention and intervention programs in grades pre-K through 12. The programs shall be designed to ensure all students achieve rigorous and challenging standards adopted in the Vermont framework of standards and learning opportunities or locally adopted standards. A school district shall provide an annual written justification to the commissioner of education of the use of the funds. Such annual submission shall show how the funds' use is expressly linked to those provisions of the school district's action plan that directly relate to improving student performance.

The department has previously attempted to collect this information with other information but the result did not provide enough detail to satisfy the statutory requirement. On June 28, 2005, a memorandum from Bill Talbott was distributed notifying supervisory unions that they would be required to report on Medicaid Reinvestment funds spent starting with FY-2006 and that a project ID or a fund account should be used to track funds spent.

Instructions for Part 1

This is a summary report of the Medicaid reinvestment funds granted during FY-2009 under **revenue code 5481** from the Department of Education. One form should be submitted containing information on the supervisory union as well as its member school districts. The top section of the report is used to report information for the supervisory union entity while the rest of the form is used for information for its member school districts.

Balance as of July 1, 2008 (supervisory union and member school districts): The balance of Medicaid reinvestment funds received prior to July 1, 2008 that was unspent as of July 1, 2008. The amount reported by both the supervisory union and its member districts should match the "Balance as of June 30, 2008" as reported on the FY-2008 report. If the balance does not match an explanation must be provided.

Grant Funds Received during FY-2009 (supervisory union only): The actual amount of funds received by the supervisory union from the Department of Education under revenue code 5481 from July 1, 2008 through June 30, 2009.

Funds Received from Supervisory Union during FY-2009 (member school districts only): For member school districts, indicate the amount of funds received from the supervisory union of funds the supervisory union of revenue code 5481 funds during the period of July 1, 2008 through June 30, 2009.

Distributed to Member Districts during FY-2009 (supervisory union only): The amount of funds that the supervisory union distributed to its member districts during the period July 1, 2008 through June 30, 2009 which should equal the total of the amount reported below as received by the member school districts from the supervisory union during the period.

Funds Spent during FY-2009 (supervisory union and member school districts): This will be the total expenditures made during FY-2009 which were charged to the project ID or fund account for Medicaid Reinvestment Funds (revenue code 5481). You will need to detail and justify these expenditures on Parts 2 & 3 for each reporting entity separately.

Balance as of June 30, 2009 (supervisory union and member school districts): The balance of Medicaid reinvestment funds unspent as of June 30, 2009.

Instructions for Part 2

A separate Part 2 is completed for each supervisory union and member school district which spent Medicaid Reinvestment funds during the period from July 1, 2008 through June 30, 2009. The report is completed by grouping expenditures that relate to the same purpose. The first category which is "Medicaid Claims Administration" is printed on the form. If the supervisory union or school district is using Medicaid Reinvestment funds to pay for these costs, then the function code or codes is indicated along with the amount paid during FY-2009. This might include the costs of salary and benefits for a Medicaid Clerk as well as office expenses such as copying, telephone service, and supplies.

For all other expenditures, you need to group related expenditures. For example, if the funds were used to pay for speech services for kindergarten students who had speech difficulties, then the expenditure group for that service could be Kindergarten speech services. The expenditures would probably have all been coded to 2150 and the amount spent would be listed in the third column. Similarly if one of the things funded was after school homework assistance, you would list that as an expenditure group with the function codes where the expense was recorded in the accounting system as well as the amount. You will need to account for all of the Medicaid reinvestment funds that were spent by the supervisory union or school district for the fiscal year.

Instructions for Part 3

This section provides “annual written justification” as required by the statute. In this section, you need to provide justification for all the expenditures listed in Part 2 except Medicaid Claims Administration. Separate Part 3’s are required for each individual school district or supervisory union. You can provide justification for an individual expenditure group or you may provide a justification that covers more than one expenditure group from Part 2.

The information required for each justification is explained below.

A. Item Numbers Covered by Justification (from Part 2):

List the item numbers from Part 2 that this justification covers.

B. Service Being Provided:

Explain for the expenditure groups identified in A what specific prevention or intervention service is being provided.

C. Grade Levels Served:

Indicate for this group of expenditures what grade levels are provided service.

D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service):

Explain which students the service are provided to or the criteria used to decide which students receive the services in this expenditure group.

E. Explanation of how this group of costs will result in improving student performance including the goals of the school district’s action plan that it relates to:

Provide a brief narrative explaining how the provision of services included in this group is expected to improve student performance. Also explain the specific goal or goals in the school district’s action plan that the provision of these services is relates to. A copy of the action plan should be attached.

Example Completed Justification Group:

| |
|---|
| Group 1 – A. Item Numbers Covered by Justification (from Part 2): 2 – <i>Speech Services for Kindergarten Students</i> |
| B. Service Being Provided: <i>Speech Language Pathologist works with a small group to student to provide more specialized instruction.</i> |
| C. Grade Levels Served: <i>Kindergarten Students</i> |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives services): <i>Each Kindergarten teacher identifies students that she believes would benefit from speech/language services.</i> |
| E. Explanation of how this group of costs will result in improving student performance including the goals of school district’s action plan that it relates to: (Please attach copy of action plan.) <i>Speech/language assistance provided to kindergarten students who are experiencing some difficulty is used to help these students keep up with their classmates and ensure that they are successful in the critical area of language acquisition. This service falls under item A.2 of the school district’s action plan which is attached.</i> |

Part 2 - Expenditure Detail by Reporting Entity

Medicaid Annual Reinvestment Report
For the Period from July 1, 2008 through June 30, 2009
Expenditure Detail

Use a separate report for each school district or supervisory union for the funds it spent.

Reporting Entity (school district or supervisory union):

Supervisory Union No.:

Expenditure Detail - Provide the detail below on all funds expended during FY-2009. Each item should consist of expenditures that are for the same purpose. The top line is to be used for Medicaid claims administration which would include salary and benefits for the person performing duties of a Medicaid Clerk as well as related costs such as supplies, equipment and telephone service. For all other items, please provide a brief description. For all items, indicate the Function Codes where the costs are recorded in the accounting records as well as the total expended during FY-2009.

| Item No. | Expenditure Group/ Purpose of Expenditure | Function Codes for Expenditure Group | Amount Expended During FY-2009 |
|----------|--|---|-----------------------------------|
| 1 | Medicaid Claims Administration | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| | | Total for Reporting Entity | |

The total spent for the supervisory union or school district reported on this page must agree with the amount reported in the "Funds Spent during FY-2009" for that school district or supervisory union on Part 1.

For each supervisory union or school district, complete a justification page (Part 3) to cover all the expenditure groups listed above.

Part 3 - Justification of Expenditures by Reporting Entity

Medicaid Annual Reinvestment Report
For the Period from July 1, 2008 through June 30, 2009
Expenditure Justification

Use a separate report for each school district or supervisory union for the funds it spent.

| |
|--|
| Reporting Entity (school district or supervisory union): |
| Supervisory Union No.: |

Justification - For each item or group of items listed on Part 2 except (item 1) Medicaid Claims Administration, please provide the required justification for using Medicaid Reinvestment funds including information on students being served and how this expenditure or group of expenditures will result in improving student performance. The justification provided needs to cover all of the expenditure groups listed on Part 2 except Medicaid claims administration.

| |
|--|
| Group 1 - A. Item Numbers Covered by Justification (from Part 2): |
| B. Service Being Provided: |
| C. Grade Levels Served: |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service): |
| E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.) |

| |
|--|
| Group 2 - A. Item Numbers Covered by Justification (from Part 2): |
| B. Service Being Provided: |
| C. Grade Levels Served: |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service): |
| E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.) |

| |
|--|
| Group 3 - A. Item Numbers Covered by Justification (from Part 2): |
| B. Service Being Provided: |
| C. Grade Levels Served: |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service): |
| E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.) |

Expenditure Justification Report (continued)

page:

Reporting Entity:

Group 4 - A. Item Numbers Covered by Justification (from Part 2):

B. Service Being Provided:

C. Grade Levels Served:

D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service):

E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.)

Group 5 - A. Item Numbers Covered by Justification (from Part 2):

B. Service Being Provided:

C. Grade Levels Served:

D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service):

E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.)

Group 6 - A. Item Numbers Covered by Justification (from Part 2):

B. Service Being Provided:

C. Grade Levels Served:

D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service):

E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.)

Group 7 - A. Item Numbers Covered by Justification (from Part 2):

B. Service Being Provided:

C. Grade Levels Served:

D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service):

E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.)

Expenditure Justification Report (continued)

page:

| | |
|--|--|
| Reporting Entity: | |
| Group 8 - A. Item Numbers Covered by Justification (from Part 2): | |
| B. Service Being Provided: | |
| C. Grade Levels Served: | |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service): | |
| E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.) | |
| Group 9 - A. Item Numbers Covered by Justification (from Part 2): | |
| B. Service Being Provided: | |
| C. Grade Levels Served: | |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service): | |
| E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.) | |
| Group 10 - A. Item Numbers Covered by Justification (from Part 2): | |
| B. Service Being Provided: | |
| C. Grade Levels Served: | |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service): | |
| E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.) | |
| Group 11 - A. Item Numbers Covered by Justification (from Part 2): | |
| B. Service Being Provided: | |
| C. Grade Levels Served: | |
| D. Student Population Served or Benefiting from Expenditures (criteria used to determine who receives service): | |
| E. Explanation of how this group of costs will result in improving student performance including the goals of the school district's action plan that it relates to: (Please attach copy of action plan.) | |

Report on Supervisory Union/School District Expenditures for Health Services

In order to maximize the amount that the State of Vermont can claim under the Global Commitment Health Waiver, various State agencies and school districts are being asked to report on health services provided. This survey is being used to collect information on the cost of health services provided in schools. In order for the school health services to count toward the amount of funds that the State can draw under Global Commitment, the State must certify the amount being spent. This will not generate funding for school districts.

The information needed is the actual expenditures for FY-2009 for health services paid by the supervisory union and its member school districts. One area that all supervisory unions incur cost for is school nursing services. This is the one area that it is mandatory for supervisory unions to report.

School Nurses – this can include actual nursing services, health screenings, counseling students and their families on medical issues and for health education. The health services would include the cost of the school nurse or an individual operating under the direction of a school nurse. This would include salary, benefits, and supplies. If any of the cost of the school nurse is paid from federal funds, that amount needs to be excluded. The only exception is that supervisory unions do not need to deduct the school nurse claims for the EPSDT program. The amount of claims submitted by the EPSDT program for school nurses will be calculated at the State level and deducted from the amount reported in this category.

In addition to school nursing services, supervisory unions and their member school districts may provide other health services. We would like school districts to report information on other health services if the information is retrievable from their accounting records. The following are some categories of health services that could be reported by supervisory unions and their member school districts:

Occupational Therapy – include the cost of occupational therapy services provided to students by a licensed Occupational Therapist or a Certified Occupational Therapist Assistant (COTA). If OT services are being billed to the School-Based Health Services Program (IEP Medicaid) for IEP students who are Medicaid eligible, do not include any OT costs for special education students. For most supervisory unions/school districts, this will only include the cost for non-IEP students. Exclude any part of the cost paid for with federal funds.

Physical Therapy – include the cost of physical therapy services provided to students by a licensed Physical Therapist or a Physical Therapy Assistant. If PT services are being billed to the School-Based Health Services Program (IEP Medicaid) for IEP students who are Medicaid eligible, do not include any PT costs for special education students. For most supervisory unions/school districts, this will only include the cost for non-IEP students. Exclude any part of the cost paid for with federal funds.

Mental Health Counseling or Psychological Services – the cost of mental health counseling or psychological services can be reported if the staff person is considered a professional for Medicaid billing purposes and is providing services to non-IEP students with certain limitations. A school psychologist whose only license is from the Department of Education with a school psychologist endorsement is not billable to Medicaid and cannot be included as a health cost for this survey. The costs for licensed social worker, psychologist, certified mental health worker

can be reported as health costs if the costs are not being billed to Medicaid either through the School-Based Health Services Program (IEP Medicaid) or under a success beyond six contract with a local mental health agency or paid from federal funds.

Personal Care Aides – the cost of personal care aides can be reported for non-IEP students if the student requires the service based on a 504 or EST plan and if the one on one assistance is provided for the student’s full school day. The only exceptions are (1) if the service is provided under a success beyond six contract, (2) is being billed to Medicaid in some other way, or (3) if the cost is paid from federal funds.

Dental or Medical Services – the cost for the school district from non-federal funds for a dental or medical clinic located in the school can be reported as a health cost.

Any questions about the above information should be directed to Nicole Tousignant at 828-5111.

Please submit the completed form by August 15th to:

Vermont Department of Education
Attn: Nicole Tousignant
120 State Street
Montpelier, VT 05620-2501

Report on FY-2009 Expenditures of School Health Services

Supervisory Union: _____

The following are the actual costs incurred during FY-2009 for the above supervisory union and its member school districts for the services listed below:

Required

FY-2009 Cost

| | |
|--|--|
| School Nurse Include the salary, benefits and supplies for school nurses and the individuals operating under the direction of a school nurse | |
|--|--|

Please indicate whether the supervisory union billed school nurse services to the EPSDT program for any part of the period July 1, 2008 through June 30, 2009. Yes ____ No ____

Optional

Please provide the expenditure information for any of the following categories that you can pull it from your accounting records for the period of July 1, 2008 through June 30, 2009. The expenditures can only include services by an appropriately licensed professional for all categories except for the Personal Care Aides category. The qualifying professionals are listed below as well as in the instructions. Any expenditures paid from federal funds or charged to Medicaid must be eliminated from the amount reported. If services for a particular category are currently being billed to the School-Based Health Services (IEP Medicaid) Program for IEP students, then do not include the cost of any services for special education students.

| Health Service Categories: | FY-2009 Cost |
|--|--------------|
| Occupational Therapy Only include services provided by a licensed Occupational Therapist or a Certified Occupational therapist Assistant (COTA). | |
| Physical Therapy Only include services provided by a licensed Physical Therapist or a Physical Therapy Assistant. | |
| Mental Health Counseling or Psychological Services Only include services by licensed social worker or psychologist or certified mental health worker. Do not include a school psychologist if they only have a Department of Education license with a school psychologist endorsement. | |
| Personal Care Aides Only include if service is provided for student's full school day in accordance with a 504 or EST plan. | |
| Dental or Medical Services Only include costs paid by the school district from non-federal funds. | |

FY-2010 Budget Level

The FY-2010 budgeted amount for the categories completed above is expected to (check one):

- ☐ be **roughly equivalent** to the above FY-2009 expenditures.
☐ **increase** from the above FY-2009 expenditures.
☐ **decrease** from the above FY-2009 expenditures.

The above information has been compiled and submitted by:

(Signature)_____
(Date)_____
(Telephone Number)